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The Right Flier

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What's New in the CBA's? Part 2: Health Care

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Introduction

This is the second in a series of articles that we will have in the *Right Flier* explaining what is new in the recently adopted collective bargaining agreements for both TET and NTE faculty.

A second major change in the CBAs is language on health benefits. This is particularly important because we are coming up to open enrollment when you will have to make your health care elections for 2015. Among the major changes that will be discussed below are the discontinuation of three existing health plans, their replacement by two new plans for NTE and TET faculty, and a change in the premium structure for TET faculty.

Wright State's health plans are self-funded, which means that Wright State assumes most the financial risk of providing health care to employees. Wright State also buys specific stop loss insurance from Anthem (insurance if a claim exceeds a specified threshold) and it uses Anthem as a Third Party Administrator (TPA). Since Wright State has used Anthem as its TPA, there will be no substantial change in networks for the new plans. Every year, new doctors enter the network and some leave, and on rare occasions hospitals leave the network, generally on a temporary basis while they negotiate rates with Anthem. However, aside from routine changes like these, which occurred with our old plans, your network will be the same.

New Plans

The first major change is that starting in 2015 we will have two new plans replacing three old ones that will no longer be available. The Traditional Health Plan, which was only available at the Lake Campus, is being discontinued. The HMO plan is going away; the new plan closest to the old HMO will be the 90-10 PPO. The existing 90-10 PPO plan is going away; the new plan closest to it will bean 80-20 PPO. The High Deductible Health Plan (HDHP) with a Health Savings Account (HSA) will continue to be available, although the University's contribution to HSAs will change; more on that later.

Beginning in January of 2015, all bargaining unit faculty will have the choice of the three plans named above: a 90-10 PPO, and 80-20 PPO and a HDHP with HSA. Each of the plans also includes dental coverage and vision coverage. Thus, whenever you pick a health care plan, you will automatically be enrolled in the dental plan and the vision plan for no additional cost.

In explaining the various plans, this article will only cover network benefits. For an explanation of non-network benefits, see the CBA. Note, however, that under any of our health care plans if you have a real emergency or think you have a real emergency you should go to the nearest hospital without regard to the network status of the hospital.

90-10 PPO

The first plan is a 90-10 PPO, which is similar to the old HMO plan in that it offers lower out-of-pocket expenses (copays, deductibles, and coinsurance) and a lower out-of-pocket maximum in exchange for significantly higher premiums.

The old HMO had no deductibles and no coinsurance, whereas the 90-10 PPO has a $125/$250 deductible. The first number refers to the deductible for individuals and the second is for a family. (For everything except premiums a family is a spouse or domestic partner and/or other eligible dependents.) A deductible is something you pay up front at the time you receive services; your deductible must be met before insurance pays anything.

The 90-10 refers to coinsurance. The University pays 90% and you pay 10% for certain services, including inpatient hospitalization, once you have satisfied your deductible and until you reach your out-of-pocket maximum.

There are also co-pays (flat fees) for a variety of office services: $15 for primary care, $25 for specialty care, $40 for urgent care and $200 for ER services. The copay for the ER is waived if you are admitted to the hospital. There are also separate copays for drugs $8/$25/$40 for generic /brand name formulary (here and below, meaning a preferred list)/generic or brand name non-formulary.

One change, due to the Patient Protection and Affordable Care Act (ACA) (aka Obama Care), is that many preventive services are offered without any cost sharing including routine medical exams, Pap testing, mammograms, PSA testing, immunization and a host of other preventive screening procedures that are age and gender appropriate.

Finally, there is an out-of-pocket maximum of $1,000/$2,000 for individual/family. Another consequence of the ACA is that all of your deductibles, copayments (including copayments for prescriptions), and coinsurance count toward your out-of-pocket maximum. Once you reach your out

of pocket maximum for a calendar year you pay $0 and insurance pays 100% of any remaining covered expenses.

80-20 PPO

The second plan is an 80-20 PPO, which is similar to the old PPO plan in that it offers somewhat higher out-of-pocket expenses (copays, deductibles, and coinsurance) and a lower out-of-pocket maximum (compared to the 90-10 PPO) in exchange for significantly lower premiums.

The 80-20 PPO has $250/$500 deductible. Again, the first number refers to the deductible for individuals and the second is for a family. (For everything except premiums a family is a spouse or domestic partner and/or other dependents.)

The 80-20 refers to coinsurance. The University pays 80% and you pay 20% for certain services, including inpatient hospitalization, once you have satisfied your deductible and until you reach your out-of-pocket maximum.

There are also co-pays (flat fees) for a variety of office services: $20 for primary care, $30 for specialty care, $40 for urgent care and $200 for ER services. The copay for the ER is waived if you are admitted to the hospital. There are also separate copays for drugs $8/$25/$40 for generic / brand name formulary / generic or brand name non-formulary.

As is the case with the 90-10 plan, many preventive services are offered without any cost sharing including routine medical exams, Pap testing, mammograms, PSA testing, immunization and a host of other preventive screening procedures that are age and gender appropriate.

Finally, there is an out-of-pocket maximum of $1,750/$3,500 for individual/family. As was the case for the 90-10 plan, all of your deductibles, copayments (including copayments for prescriptions), and coinsurance count toward your out-of-pocket maximum. Again, once you reach your out of pocket maximum for a calendar year you pay $0 and insurance pays 100% of any remaining covered expenses.

HDHP with HSA

The HDHP plan with an HSA will remain the same except that the University will be reducing its contribution to the HSA from $1,400 to $1,000 for single, $2,600 to $2,000 for employee plus one, and $3,000 to $2,000 for employee plus family. Also be aware that coverage for employee plus one or employee plus family must meet the family deductible ($4,000) before coinsurance applies; that is, the single deductible ($2,000) does not apply for those electing employee plus one or employee plus family coverage.

Nevertheless, you should take a careful look at the HDHP with an HSA because the premiums are lower, and the University effectively is paying half your deductible. One note of caution: the HDHP plan is “grandfathered,” which means that, even though it does cover some preventive services at no cost, it is not required to comply with all of the provisions of the ACA. So you should find out from Anthem during the open enrollment period the services that are impacted by “grandfathering.” If you are going to switch to the HDHP and you have been using a flexible spending account (FSA), you must have a zero balance in your FSA by December 15, 2014 or you will not be permitted to enroll in the HDHP.

Premiums

In the very first contract we negotiated with the administration (1999-2002), which was only for TET faculty, we had premiums that were based on income. At the time, the top tier was for an annualized full-time salary of $50,000 and above. I won't tell you what the premium was because it will make you sick. By the time came for a successor agreement, virtually all of our bargaining unit members were in the top tier and so, starting in 2003, we did away with premiums based on income.

With the new CBA for TET we have gone back to salary-based premiums, but these premiums are based on your actual base salary. The premiums for 2015 are approximately 5% higher than the premiums that were being paid by other non-represented staff in 2014. For bargaining unit faculty as group (TET and NTE combined) we will be paying less in premiums in 2015 than we paid in 2014.

NTE faculty were already paying on a sliding scale but were paying slightly more than other non-represented staff, because their plans were different. (Staff were forced into the 90-10 and 80-20 PPO plans in 2014). As a result, premiums for NTE faculty as a group will increase in 2015 by about 1.1%; premiums for TET faculty as group will actually go down approximately 2.3% with premiums for most TET faculty going down; all these projections are based on our best guesses as to which of the three plans BUFMs will choose in 2015. Premiums for the 90-10 PPO are going up by about 1.3%, premiums in the 80-20 PPO are going down by about 5.5% and premiums in the HDHP are going up by about 2.5%. In the 80-20 PPO premiums for single, employee plus one, and employee plus family will go down for all bargaining unit faculty with a base salary that is less than $100,000 a year. This is generally the case for the other plans as well.

Other Changes

There are a couple of other noteworthy changes in our coverage. First, if you go into a network hospital and the primary physician treating you is also in network and without your knowledge you receive treatment from a non-network doctor (e.g., radiologist, pathologist, or anesthesiologist) you can be reimbursed so that your cost is the same as it would have been if in-network providers treated you.

Second, the maximum annual benefit under dental coverage is increasing from $1,000 to $1,250 and the maximum lifetime benefit for orthodontic treatment for a child is increasing from $1,000 to $1,500.

Making an Informed Choice

In the open enrollment period this year, you will be faced with substantial changes, unless you are now in and choose to remain in the HDHP/HSA. When you choose which (if any) of the three university-sponsored health care plans you will enroll in for 2015, please read carefully the materials provided by the University (not just this brief article), attend information sessions, and ask University representatives as many questions as you wish.